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SUBJECT: NAS MONTHLY REPORT, DECEMBER 2007

**REF: A. LIMA 3884** 

¶B. LIMA 3764

# SUMMARY

11. (U) The key developments in December 2007:

- \*\* CORAH ended the year with a total of 11,056.20 hectares of coca eradicated, surpassing the 10,000-hectare goal.
- \*\* DEVIDA approved the 2008 Eradication Plan to start in mid-January, now waiting for Interior Minister's signature.
- \*\* Police graduated 820 new officers from NAS-supported Academies in December.
- \*\* Annual amount cocaine HCL seized at Lima airport for 2007 totals 4,062 kg, doubling the amount from 2006.
- \*\* President Garcia makes strongest statement ever in support of counternarcotics efforts funded by USG.
- \*\* Threat of narco-terrorism in Peru has sparked a public debate on how "no-go" zones are a threat to national security.
- \*\* New PNP chief named; announces new organized crime unit.
- \*\* PNP seizes drug plane in Puno; first such aircraft seizure in 10 years.
- \*\* NAS Aviation flying hours increased in 2007 by over 26 percent compared to 2006.
- \*\* Major aviation training and maintenance plan was conducted.
- \*\* Three UH-2 armor-plating kits arrived. The delivery and installations of the kits halted because they were not to specifications.
- \*\* In 2007, NAS added 6 new community anti-drug coalitions in Lima and will start ones outside of Lima as funds permit. END SUMMARY

#### DEDU DUGEDO ANNUAL COAL DEADY DOD NEVE VEAD

## PERU EXCEEDS ANNUAL GOAL; READY FOR NEXT YEAR

- ¶2. (U) Last day of eradication operations was December 7. CORAH ended the year with a total of 11,056 hectares of coca eradicated, surpassing the annual goal by more than 1,000 hectares. CORAH also eliminated 41,162 square meters of seedbeds, which is equivalent to an additional 2,744 hectares of coca if planted. Operations for 2007 began slowly, hampered by setbacks such as floods, cocalero strikes, and changes in police commanders. As late as June, reaching our annual goal seemed unattainable. But, proper planning and perseverance by CORAH, along with dedicated police and aviation support, enabled NAS to exceed the yearly goal. With all support elements in place, a significant eradication rate was achieved, breaking records for the amount of coca eradicated per day and per month.
- 13. (U) On December 21, DEVIDA approved the 2008 Eradication Plan and has forwarded it to the Minister of Interior for his signature. CORAH is planning to start in mid-January or when the Plan is signed. It was agreed that eradication would start in Santa Lucia (north of Tocache) then move to the Aguaytia area. In May, work will shift to the Aucayacu area.

#### POLICE GRADUATIONS

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¶4. (U) On December 15, President Garcia presided over the graduation ceremony of 288 new police from the NAS-PNP basic training academy at Ayacucho, and the inauguration of the NAS-funded police academy and base, a complex of 26 buildings overlooking the city. Ambassador McKinley, Minister of Interior Alva Castro, NAS Director Keogh, embassy officials, and PNP generals also were present. The 10-million USD investment, under the bilateral counter-narcotics agreement, represents the most significant construction in the city since Ayacucho was overrun by Shining Path terrorists in the 1980s. The new academy has the capacity to graduate 300 police per year, who are committed to serving 3 years in DIRANDRO east of the Andes. On December 17, NAS Director, Minister of Interior Alva Castro and PNP Generals attended the graduation of 294 police from the Mazamari Academy. On December 20, a further 238 CN police graduated from the Academy at Santa Lucia, making a total of 820 graduates for the month of December. Adding this number to the 727 police who completed training in March 2007, a total of 1547 new CN police graduated from the NAS-PNP academies in 2007. See Ref ¶A.

## PRESIDENT GARCIA MAKES HARD HITTING SPEECH ON DRUGS

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15. (U) Peruvian President Alan Garcia's speech in Ayacucho on December 15 was the strongest statement in years by a Peruvian president on the narcotics industry. Garcia put all the actors in the drug chain -- from the coca growers to the traffickers of the finished product and those they reach in the government and business -- as equally part of the drug industry. Garcia laid out four critical steps in the counter-narcotics battle: eradication, alternative development, training of specialized police, and combating money laundering. Garcia also broke new ground by publicly praising CORAH workers as heroes eradicating under the threat of bombs and ambushes. Garcia also underscored the pernicious effect of narco-trafficking on the implementation of the US-Peru free trade agreement, urging the people of Ayacucho to benefit from the recently signed pact by rejecting illegal activities (Ref A).

# NARCO-TERRORISM CAUSING NATIONAL DEBATE IN PERU

16. (SBU) The growing threat of narco-terrorism in Peru has sparked a public debate featuring demands that the Government take decisive action to tackle "liberated" zones. The debate shows Peruvians increasingly recognize that no-go zones

represent a threat to national security. Government security forces have received additinal budget support to address this challenge, but probably not enough; in addition, their strategic and tactical capabilities may be unequal to the task. Media comments and statements by government officials have raised questions about the nature of the security threat in the emergency zones. One noted analyst has made the case that the new narco-threat is much greater than Sendero Luminoso (Shining Path - SL) alone ever was. Some believe the attacks suggest that SL may be resurging. Others say the problem is muddier, and consists of ex-army combatants, ronderos (civil defense units), narco-cocaleros, and assorted others all participating in drug mafia violence. Of those involved in Peru's narco-terrorist network, many of them are young, fueled by poverty and lured into illegal activities by the promise of escape (Ref B).

### NEW POLICE CHIEF NAMED

17. (U) Interior Minister Alva Castro named General Octavio Salazar as the new head of the Peruvian National Police December 31, replacing General David Rodriguez. Salazar began his tenure with a stirring speech on fighting crime, narcotics, and terrorism. He unveiled a new organized crime unit that combines the anti-terrorism (DIRCOTE) and anti-drug (DIRANDRO) bureaus, and announced the relocation of the Huallaga Front from Tingo Maria to Aucayacu to confront narco-terrorism. (Note: Most of the recent SL attacks in the Huallaga Valley have taken place in the Aucayacu area, including retaliatory killings in December of 7 civilians. SL also killed 2 police officers in Ayacucho over the Christmas period. End Note.)

#### DRUG PLANE SEIZED

18. (SBU) On December 14, PNP officers, operating on DEA information, seized a Cessna 206 aircraft registered in Paraguay and detained its Colombian pilot in Sandia, Puno. The plane was probably flying from Paraguay en route to Bolivia. It is assumed that the aircraft was stolen, because all identification marks had been filed off. The plane was picking up drugs, but the loading was interrupted by CN police lying in wait at the clandestine airstrip. The plane was damaged by gunfire that prevented take-off; the pilot was uninjured. Police seized almost 8 kg of cocaine HCl as well as 1,950 Euros, some USD and Paraguayan currency, arms, and radios. This was the first seizure of a drug plane in the past 10 years.

#### DIRANDRO NOW EQUIPPED TO LEARN ENGLISH \_\_\_\_\_

- 19. (U) DIRANDRO's first computer-assisted English language laboratory was inaugurated in December by NAS Director Keogh and PNP Director General Rodriguez. Funded by NAS, the laboratory has 20 computers and is located in DIRANDRO's Drug Prevention Unit in Lima
- 110. (U) DIRANDRO statistics for 2007 show that 650 cocaine-base laboratories and 16 cocaine HCl laboratories were destroyed and 7,912 kg of cocaine base, 5,734 kg of cocaine HCl, and 858,243 kg of chemical precursors were

FOCUS ON AIRCRAFT MAINTENANCE AND TRAINING THIS MONTH

 $\P11.$  (U) NAS Aviation flying hours increased in 2007 by over 26 percent compared to 2006. To avoid exceeding the contractual limit on flight hours, NAS allocated monthly flight hours to each project manager to ensure missions and flights were closely scrutinized. NAS ultimately exceeded the flight-limit by less than one percent (or 12 hours over the 7200 limit). The high flight tempo demanded more maintenance, which affected the readiness of our helicopter fleet. As a result, the contractor, DynCorp International, sent special maintenance teams from the U.S. to the Main

Operating Base (MOB) at Pucallpa to assist the PNP maintenance teams with the increased demand for unscheduled maintenance.

- $\underline{\mbox{1}}\mbox{12.}$  (U) In December, the flight tempo slowed when eradication operations ended on December 7. NAS took advantage of the slowdown to conduct a major aviation training and maintenance plan at the MOB. During this period, NAS aviation qualified 5 new pilots, 8 new crew chiefs, and 1 maintenance test pilot. NAS also conducted some mandatory training and maintenance in preparation for resuming major operations in mid-January 2008.
- 13. (U) In November, the first three armor-plating kits (for the pilot, copilot, and crew-chief/gunner) for the UH-2s arrived and were to be installed. Another eight kits were in transit. When it was discovered that the kits were not to specifications, the delivery and installation of the kits were stopped. INL/A is negotiating with the manufacturer on complying with the contract.

# ANNUAL SEIZURES HIT NEW RECORD AT LIMA AIRPORT

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- ¶14. (U) The total amount cocaine HCL seized at the Jorge Chavez International Airport (JCIA) in Lima for 2007 was 4,062 kg, doubling the amount from 2006. In 2005, Peru seized 1072 kg; in 2006, when NAS-sponsored training took effect, 2010 kg were seized.
- 115. (U) During December, 139 kg of cocaine were seized at JCIA using non-intrusive instruments and x-ray equipment. addition, 45 internal carriers (mules), each carrying an average of 900 grams of cocaine HCl, were detained and arrested. Five international alerts were issued: the number of arrests and amount of drugs seized are pending. The body x-ray scanner, funded by NAS, detected 31 of the 45 mules. Since this scanner was deployed at JCIA on August 10, 2,745 individuals were scanned, identifying 190 internal carriers. A total of 421 internal carriers were arrested in 2007.
- 116. (U) As part of SUNAT's efforts to halt the smuggling of large amounts of cash, it seized 99,880 USD that a Colombian failed to declare prior to boarding an Avianca flight on December 17. The detainee was carrying the money hidden on his person and in his luggage. The money in the luggage was wrapped in carbon paper (to avoid detection by x-ray equipment such as the body scanner). SUNAT plans to deploy another body scanner by February 2008 in the JCIA International Arrivals area to check passengers.
- 117. (SBU) On December 4, 25,660 kg of cocaine were seized and 5 arrests were made in the district of Fernando Lores in Loreto. The cocaine was found in a bundle in a small river boat--similar to a canoe--traveling along the Amazon River. In addition, on December 13, this same DEA-led, NAS-supported Regional Port Intelligence Group (RPIG) also seized 96 kg of cocaine from a small boat on the Amazon River near the city of Iquitos. Since September 2007, nearly 500 kg of cocaine base/HCL have been seized in this area through intelligence-driven operations with nominal US funding support, instead of the blind patrolling done between 1997-2001.

DEMAND REDUCTION EXPANDS NUMBER OF ANTI-DRUG COALITIONS

-----118. (U) In 2007, NAS expanded the number of community anti-drug coalitions (CAC) in Lima from 6 to 12. Three of the new CACs were started by NGOs already running a CAC, and three new NGOs were selected to start a CAC. Having a number of NGOs developing CACs fosters a sharing of lessons learned, best practices, and new ideas that would be absent if only one NGO were working with this demand-reduction model. institutional competitiveness of the NGOs has led to the development of innovative community practices to achieve sustainability of the CACs. Each CAC is being given five years of diminishing funding to achieve sustainability. NAS

will start new CACs outside of Lima as funding permits.  $\ensuremath{\mathsf{NEALON}}$